

Closing the Opportunity Gap: Building an Equity Agenda

Presentation to the John Hope Franklin National Symposium

May 30, 2013

Tulsa, Oklahoma

David Blatt, Director, Oklahoma Policy Institute

dblatt@okpolicy.org | 918 794 3944

www.okpolicy.org



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Oklahoma Policy Institute is a non-profit, non-partisan think tank based in Tulsa. We promote the fair and adequate funding of public services and the expansion of economic opportunity by providing data-driven information, analysis, and ideas.



**OKLAHOMA
ASSETS
NETWORK**

Building financial foundations for Oklahomans



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Overview

I. Key Concepts

- ✧ Measuring 'race' and wealth
- ✧ What is the wealth gap?
- ✧ Historical roots of the gap

II. Measuring the Racial Wealth Gap in Oklahoma

1. Foundational Assets
2. Generative Assets
3. Regenerative Assets

III. Closing the Gap: Outlines of a Policy

Agenda

1. Foundational Assets
2. Generative Assets
3. Regenerative Assets

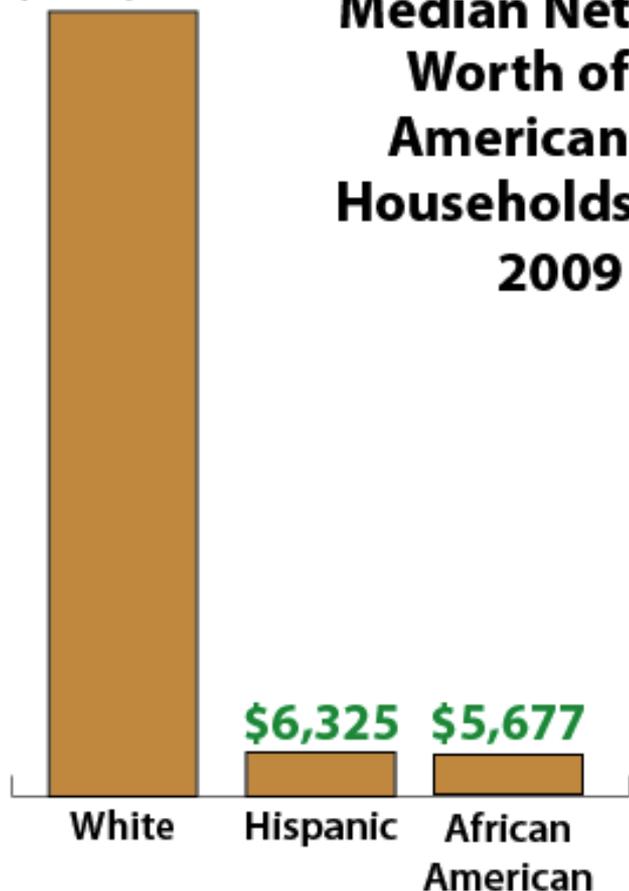
Measuring 'Race' & Wealth

Ethnicity:	<input type="checkbox"/> Hispanic or Latino	<input type="checkbox"/> Not Hispanic or Latino	
Race:	<input type="checkbox"/> American Indian or Alaska native	<input type="checkbox"/> Asian	<input type="checkbox"/> Black or African American
	<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	<input type="checkbox"/> White	

- ✧ Racial categories are not *fixed* or *essential* demographic markers
- ✧ 'Race' is constructed by social, cultural, & political forces
- ✧ There is no direct causal relationship between race and wealth

\$113,149

Median Net Worth of American Households 2009



Source: Pew Research Center, 2011

"Wealth Gaps Rise to Record Highs Between Whites, Blacks, Hispanics"

What is the Wealth Gap?

Assets - Liabilities = Net Worth

White households possess **18x** more wealth than Hispanic households and **20x** more wealth than African American households

What is Wealth?

- ✧ Wealth is distinct from income
 - ✧ This changes our conception of poverty
 - ✧ **Income** poverty vs. **asset** poverty

- ✧ Wealth is measured in terms of assets
 - ✧ Tangible financial assets (i.e. savings account, property)
 - ✧ Intangible assets (i.e. education, training skills, health, experience and knowledge)

Historical Roots of the Gap

- ✧ Homestead Act (1862)
- ✧ Large scale redistribution of land from autonomous tribes to farmers



THE OSAGE INDIAN MURDERS



The true story of a multiple murder plot
to acquire the estates of wealthy
Osage Tribe members

Historical Roots of the Gap

- ✧ Osage Reign of Terror (1920s)
- ✧ Mineral holdings were violently stripped from Osage members



Historical Roots of the Gap

✧ Tulsa Race Riot (1921)

✧ In a single day, hundreds of homes, banks, and businesses in North Tulsa were destroyed



✧ G.I. Bill



Historical Roots of the Gap

✧ Mortgage interest deduction



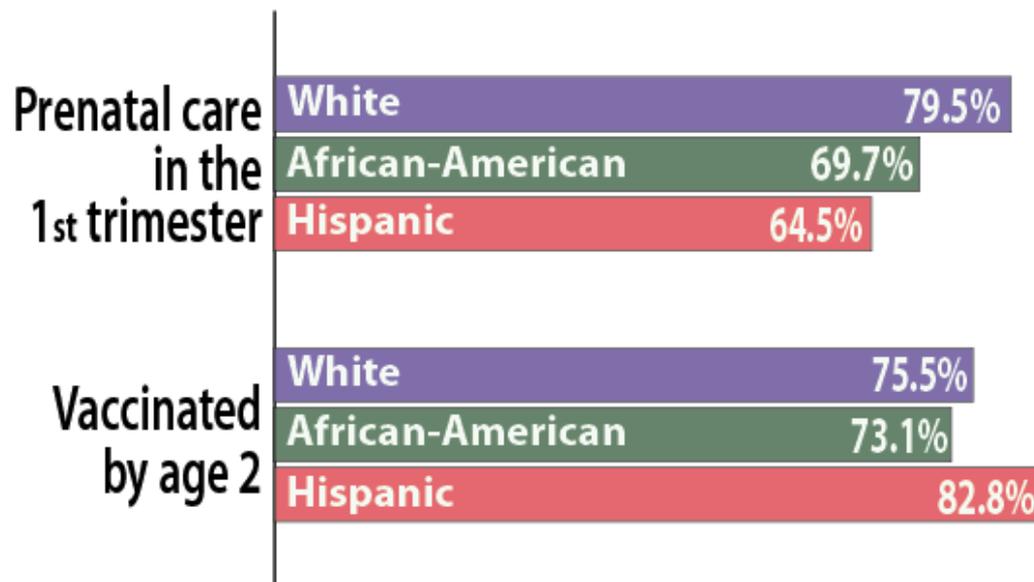
II. Measuring the Racial Wealth Gap

- 1 Foundational Assets** (health, education, transportation)
Prerequisites to employment that generates income
- 2 Generative Assets** (employment, income)
The cash flow that enables financial security and asset-building
- 3 Regenerative Assets** (savings, homeownership)
Assets that generate wealth without labor

1. Foundational Assets: Health

- ✧ Health is your most fundamental asset
- ✧ Poor health lowers quality of life, inhibits employment, and drains income
- ✧ Measuring the health gap
 - ✧ Childhood health
 - ✧ Smoking & obesity
 - ✧ Chronic disease
 - ✧ Access to & quality of Care

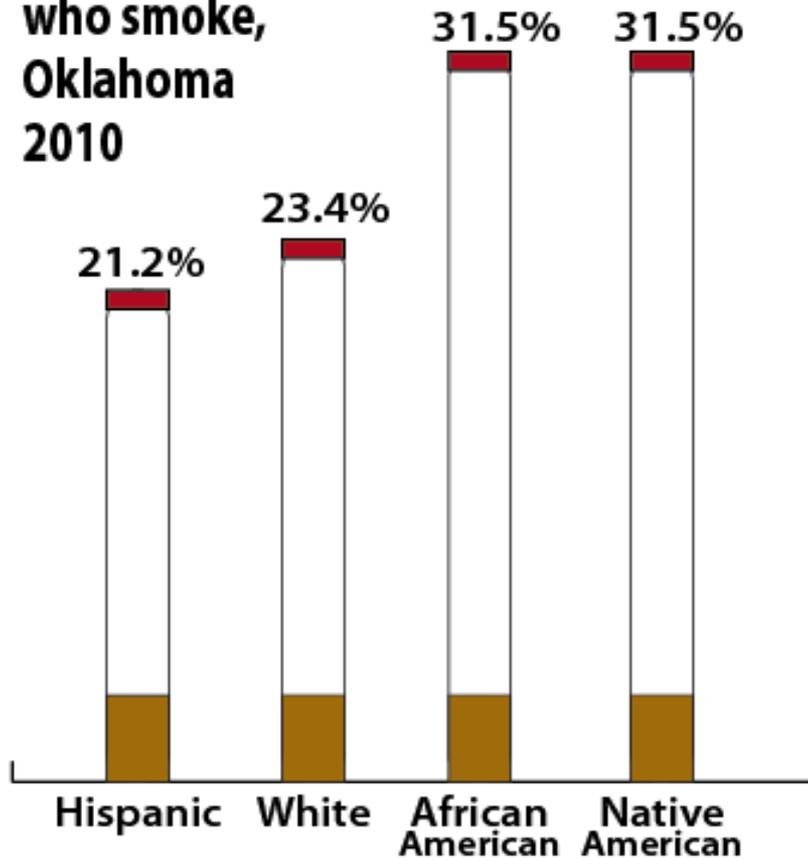
Childhood Health



- White mothers are accessing prenatal care at the highest rate
- Hispanic children are accessing vaccinations at the highest rate
- African-American families are accessing vaccinations at the lowest rates

Smoking

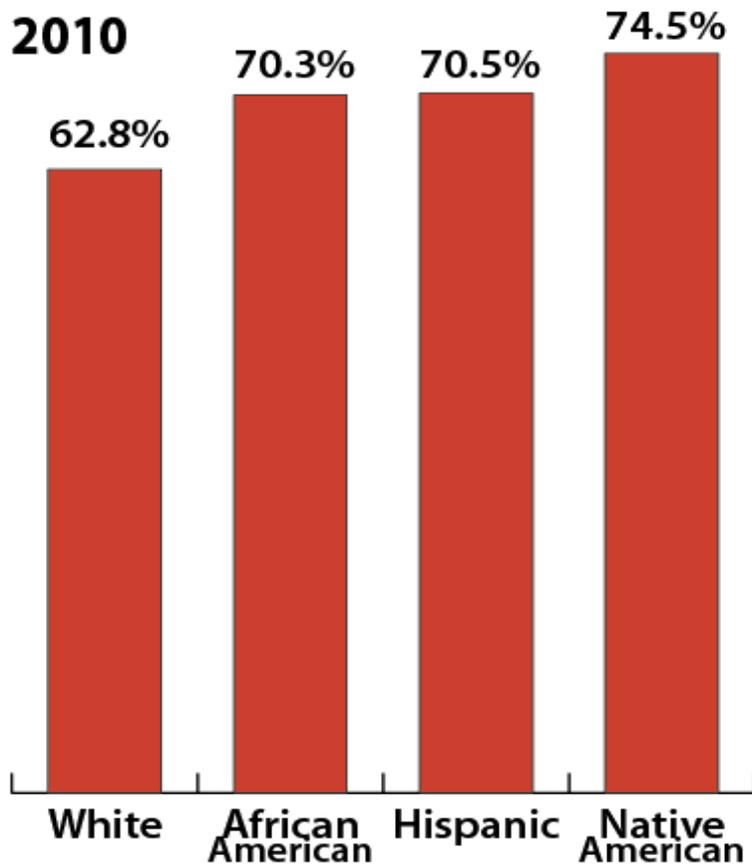
Percentage of adults
who smoke,
Oklahoma
2010



African-Americans and Native Americans have the highest smoking rates

Source: Centers for Disease Control and Prevention

Percentage of obese adults, Oklahoma 2010



Source: Centers for Disease Control and Prevention

Obesity

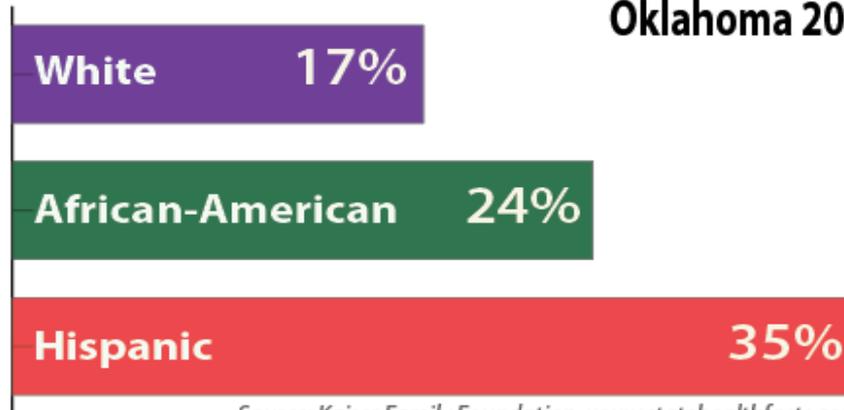
- By 2018, Oklahoma will have the highest obesity rate in the nation
- The obesity rate is highest among people of color

Chronic Disease

- African-American residents are more likely than White and Hispanic residents to develop **cancer** and die from the disease
- African-American residents have the highest mortality rate for **heart disease** and are more than twice as likely to die from **diabetes** as White residents
- Native Americans (15.1%) and African-Americans (14.7%) have the highest prevalence of **diabetes**

Access to & Quality of Care

Percentage of nonelderly adults who are uninsured,
Oklahoma 2010

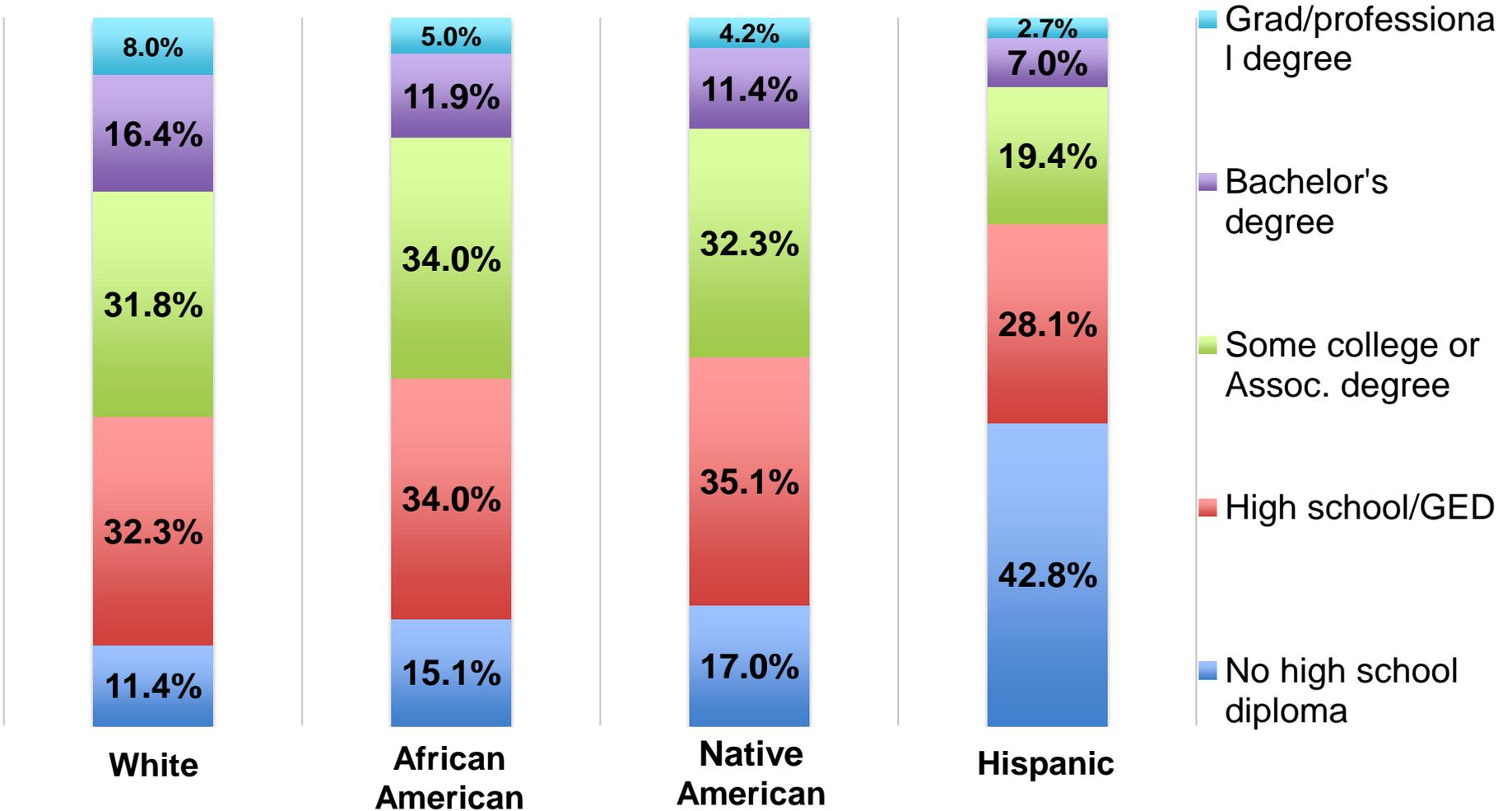


Source: Kaiser Family Foundation, www.statehealthfacts.org

- Hispanic adults have the highest rate of uninsurance
- Treatment disparities also contribute to the health gap
- Even insured adults face barriers, i.e. underinsurance, low incomes, lack of transportation, time off work, availability of PCP

Educatio

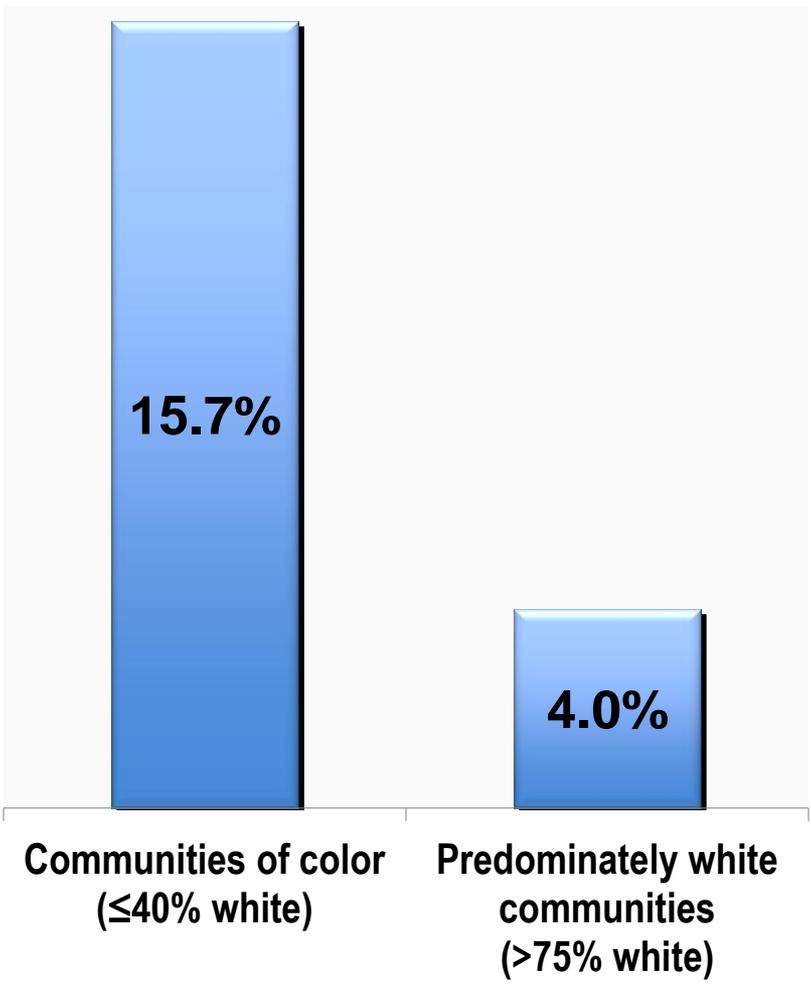
Educational Attainment, 25 yrs. and older, Oklahoma 2008-2010



Source: U.S. Census Bureau, American Community Survey 2008-2010

Education

- Enrollment in higher education reflects the state's demographics, with the exception of Hispanic students
- However, there are still significant gaps in graduation rates from 4-yr colleges and universities
 - The average gap in graduation rates between white students and students of color is **11 percentage points**
 - Northwestern Oklahoma State University and Langston University have achieved parity



Transportation

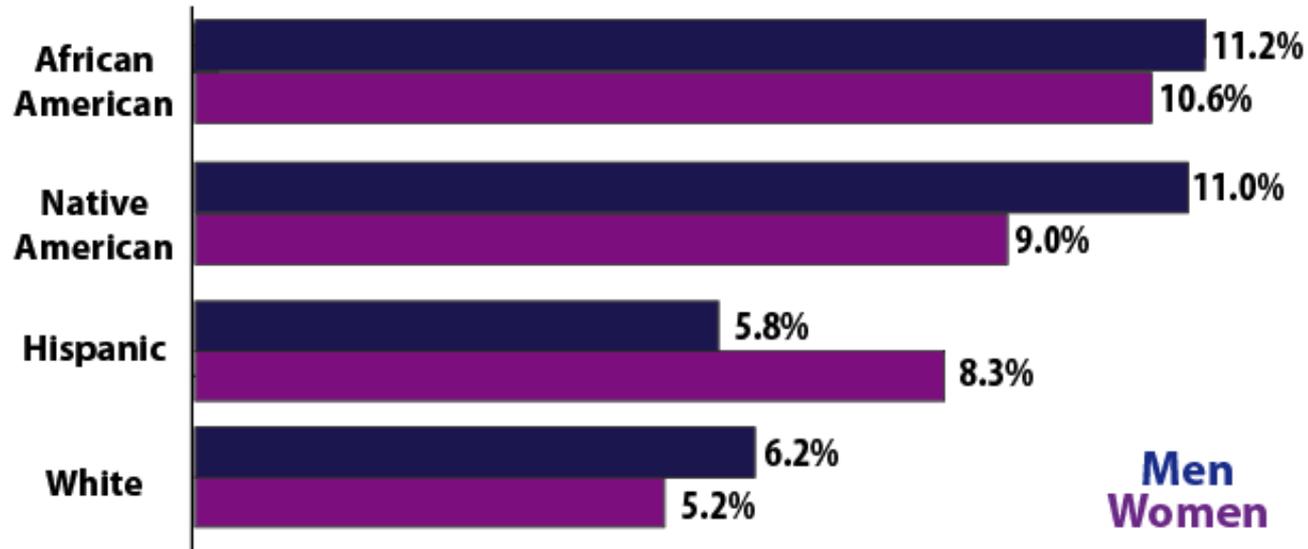
- Households in communities of color are nearly **4x** as likely as households in predominately white communities to report having no access to a vehicle

2. Generative Assets

- ✧ Generating sufficient cash flow is a prerequisite to asset-building
- ✧ Measuring the generative assets gap
 - ✧ Employment
 - ✧ Income

Employment

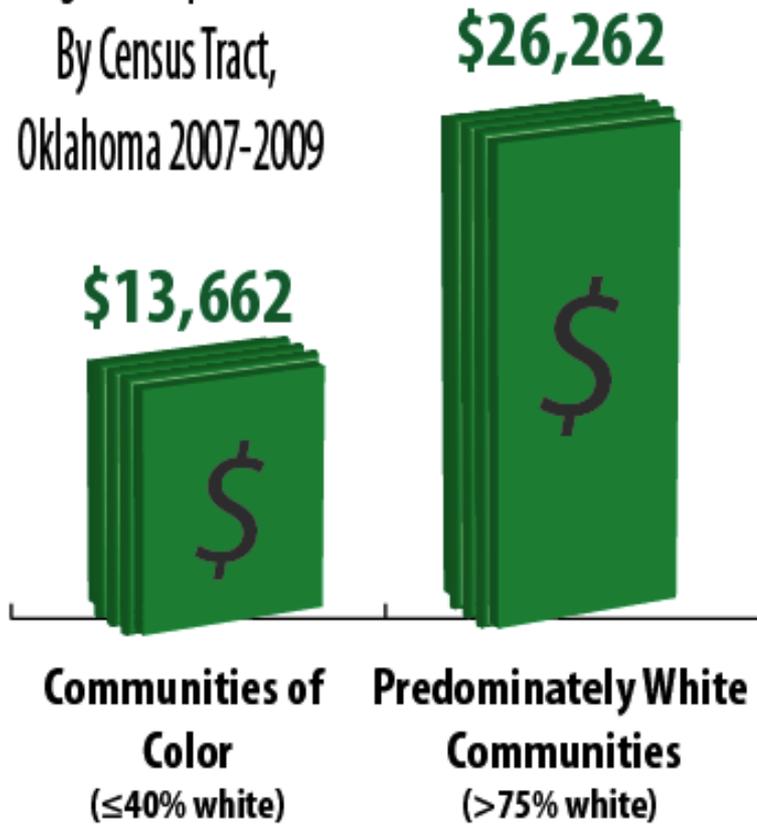
Unemployment Rate in Oklahoma by Sex and Race/Ethnicity, 2008-2010



Source: U.S. Census Bureau, 2008-2010 American Community Survey 3-Year Estimates, Unemployment rate for the working age population (16 - 64 yrs)

- Native American and African American workers are unemployed at **nearly twice the rate** of White workers

Average Per Capita Income
By Census Tract,
Oklahoma 2007-2009

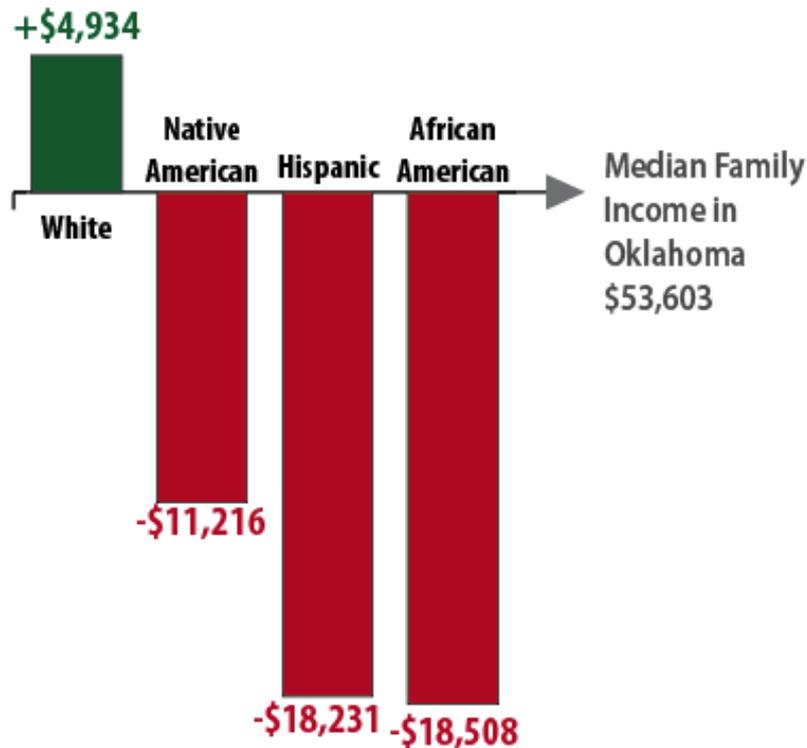


Income

- Predominately white communities earn nearly **twice as much income per capita** as communities of color

Source: U.S. Census Bureau, 2007-2009 American Community Survey 3-Year Estimates, Average per capita income in the past 12 months (in 2009 inflation-adjusted dollars) by census tract

Median Family Income Gap by Race/Ethnicity, Oklahoma 2008-2010



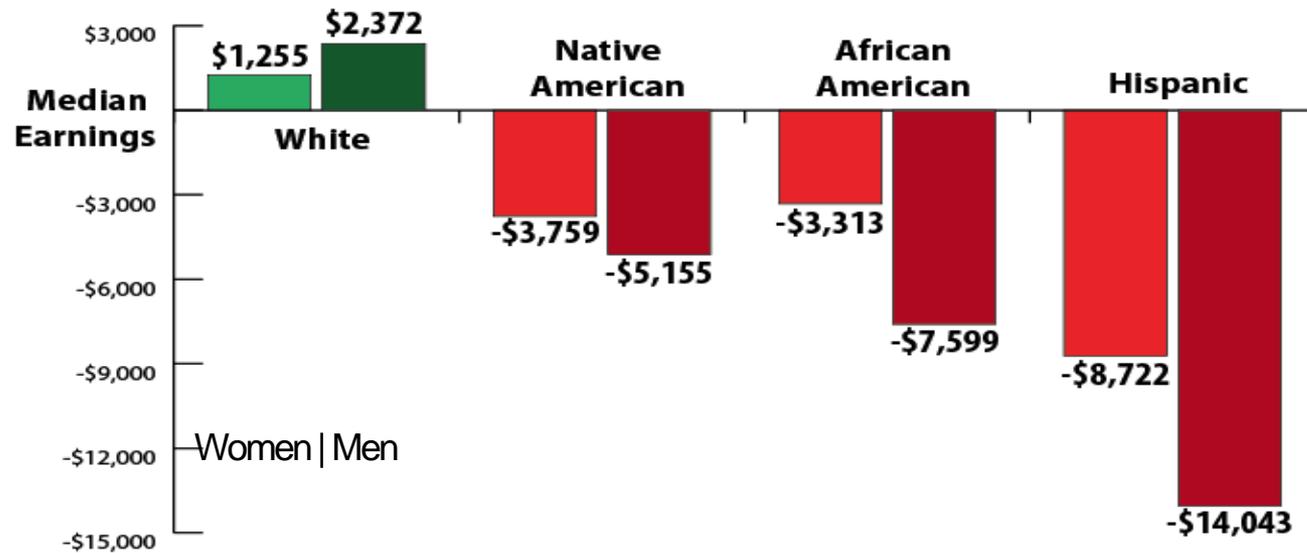
Source: U.S. Census Bureau, 2008-2010 American Community Survey 3-Year Estimates
Median family income in the past 12 months (in 2010 inflation-adjusted dollars)

Income

The median income for White families is nearly **\$5k** more than the median income for all Oklahoma families

- Minority families earn between **\$11k and \$19k less** than the state's median family income

Median Earnings Gap for Full-Time Year-Round Workers in Oklahoma by Sex by Race/Ethnicity, 2008-2010



Source: U.S. Census Bureau, 2008-2010 American Community Survey 3-Year Estimates,
Median earnings in the past 12 months (in 2010 inflation-adjusted dollars)
by sex by work experience for the population 16 years and over with earnings in the past 12 months

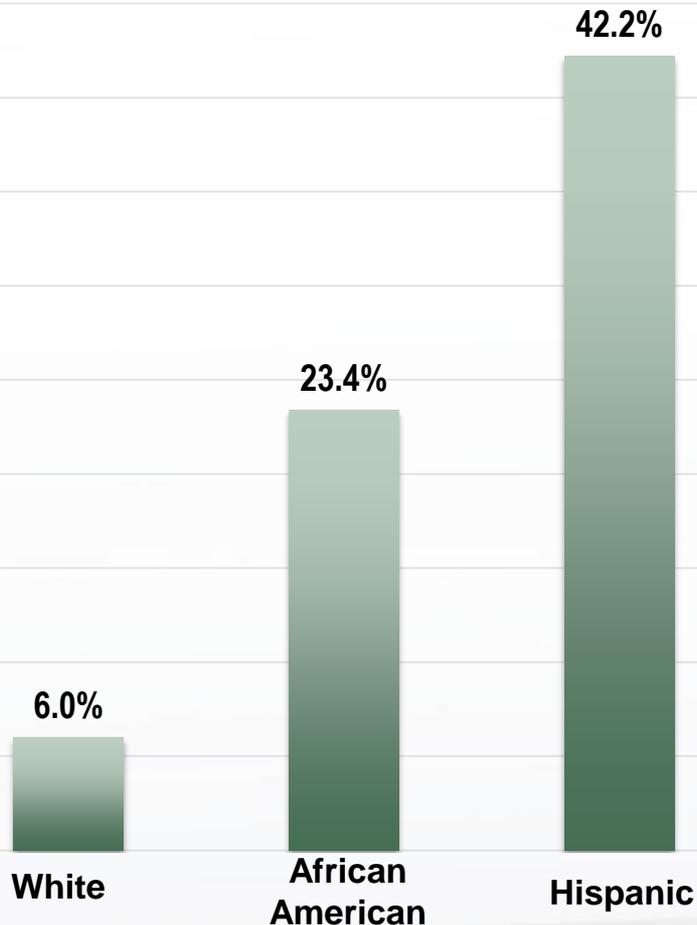
- Hispanic workers have the lowest median earnings, while White workers have the highest

3. Regenerative Assets

- ✧ These assets yield income not earned directly through labor
- ✧ Measuring the regenerative assets gap
 - ✧ Savings & Investment
 - ✧ Homeownership

Banking

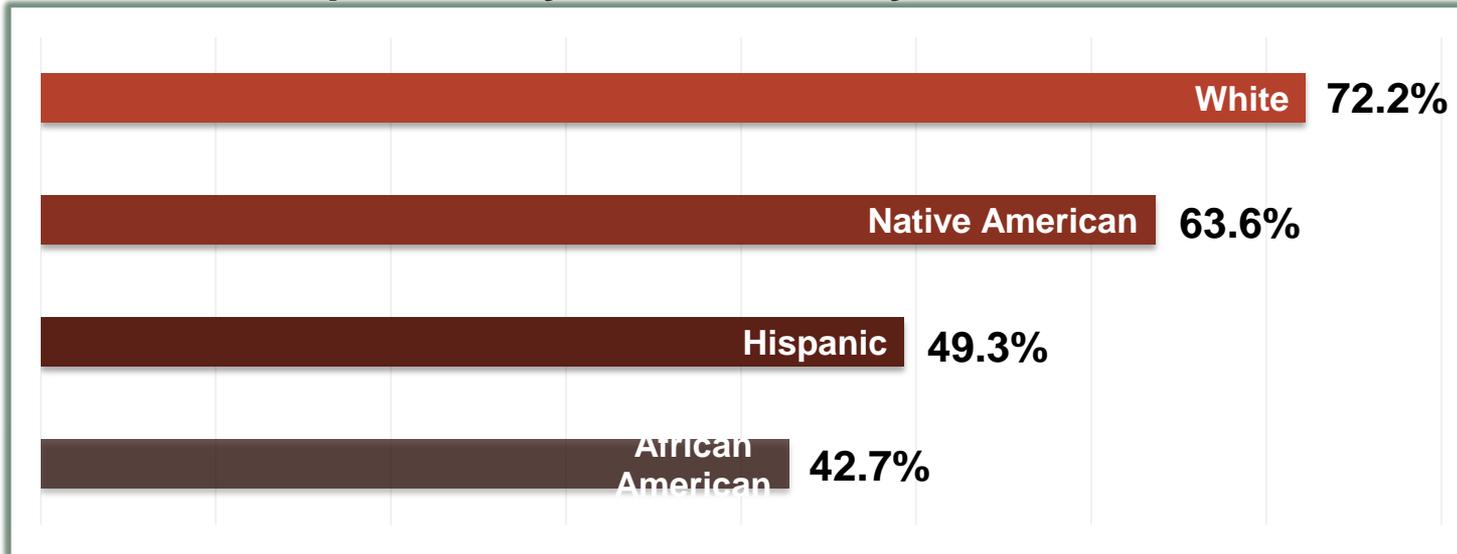
Percent of Households that are Unbanked in Oklahoma, 2009



- Just over **40 percent** of Hispanic households are unbanked
- Just under a **quarter** of African-American households are unbanked

Homeownership

Homeownership Rates by Race/Ethnicity, Oklahoma 2010



- Just under **half** of Hispanic and African American households own homes
- Between 1970 and 2004, the gap in homeownership rates between White and African American residents of Oklahoma City more than doubled

III. Closing the Gap

“ Equity can no longer be thought of as strictly a social justice or minority concern; it’s an economic imperative for Oklahoma’s future”

III. Closing the Gap

1. Foundational Assets

- ❑ Invest in early childhood health
- ❑ Expand health coverage and improving access
- ❑ College completion initiatives targeting students of color and colleges/universities
- ❑ Broaden public transportation infrastructure
- ❑ Control the cost of borrowing to boost vehicle ownership

III. Closing the Gap

2. Generative Assets

- ❑ Invest in Workforce Oklahoma
- ❑ Reform discriminatory policing tactics and sentencing policies & reduce overincarceration
- ❑ Reduce hiring discrimination in the private sector

III. Closing the Gap

3. Regenerative Assets

- ❑ Increase access to affordable credit
- ❑ Curb predatory small loan practices
- ❑ Homeowner education, foreclosure prevention, and homebuyer assistance

Conclusion

“Closing the opportunity gap for people of color is central, not peripheral, to a prosperous Oklahoma”

For more on Closing the Opportunity Gap, go to:

<http://okpolicy.org/closing-the-gap>